

## Message Text

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C O N F I D E N T I A L SECTION 1 OF 4 MOSCOW 12293

DEPT FOR EUR/SOV

DEPT PASS HUD-HANCOCKFD  
E.O. 11652: GDS  
TAGS: TGEN, US, UR  
SUBJECT: US-USSR AGREEMENT ON HOUSING AND OTHER CONSTRUCTION:  
MID-TERM ASSESSMENT FOR JOINT COMMITTEE MEETING (10.00)

1. SUMMARY - ALTHOUGH IT WOULD APPEAR FROM THE SHODDINESS OF MOST SOVIET CONSTRUCTION THAT THE US HAS LITTLE TO GAIN FROM COOPERATION WITH THE SOVIETS IN HOUSING AND OTHER CONSTRUCTION, US SPECIALISTS HAVE IDENTIFIED SOME AREAS WHERE AN EXPOSURE TO SOVIET EXPERIENCE MAY BE VALUABLE. THEY INCLUDE: CONSTRUCTION IN SEVERE CLIMATES, ESPECIALLY CONSTRUCTION OF DAMS AND OTHER LARGE STRUCTURES IN PERMA-FROST AREAS AND IN AREAS OF HIGH SEISMIC ACTIVITY; USE OF CENTRIFUGES AND SHAKING TABLES TO TEST SEISMIC EFFECTS ON LARGE SCALE MODELS OF DAMS AND OTHER LARGE STRUCTURES; USE OF POLYMER CONCRETE; COGENERATION FOR RESIDENTIAL HEATING; AND SUCH AREAS OF DESIGN TECHNOLOGY AS HEAT TRANSFER, ACOUSTICS, AND NATURAL LIGHTING.

2. FOR A VARIETY OF REASONS THE HOUSING AGREEMENT HAS NEVER FULFILLED EVEN THE LIMITED EXPECTATIONS WHICH MIGHT REASONABLY BE MADE OF IT. MAJOR PROBLEMS HAVE BEEN POOR COORDINATION IN THE SOVIET EXECUTIVE SECRETARIAT, IMBALANCE IN THE EXCHANGE  
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OF INFORMATION AND SOVIET DELAY IN PROVIDING ITINERARY INFORMATION TO US DELEGATIONS. IN SPITE OF THESE PROBLEMS, SOME OF THE SIX WORKING GROUPS (WG'S) WITHIN THE HOUSING AGREEMENT HAVE DEVELOPED SIGNIFICANT COOPERATION. OTHERS, HOWEVER, ARE COMPLETELY STALLED. EVEN THOSE WG'S WHICH ARE PROCEEDING RELATIVELY SMOOTHLY MAY FACE A PROBLEM IN DEFINING AREAS OF MEANINGFUL COOPERATION FOR THE FUTURE.

3. THE UPCOMING JOINT COMMITTEE MEETING (JCM) IN MOSCOW, SEPTEMBER 19-21 SHOULD BE A WATERSHED FOR THE HOUSING AGREEMENT. MAJOR DESIRED IMPROVEMENTS INCLUDE MORE EFFECTIVE ADMINISTRATIVE SUPPORT FROM THE SOVIET SIDE, ESPECIALLY IN PROVISION OF PROMPT AND RESPONSIVE REPLIES TO US COMMUNICATIONS AND IN TIMELY PROVISION OF ITINERARIES TO VISITING US DELEGATIONS; A BALANCED EXCHANGE OF INFORMATION; DEFINITION OF SCIENTIFICALLY VALID COOPERATIVE PROJECTS; ESTABLISHMENT OF A PROGRAM OF LONG TERM EXCHANGEES; AND INCREASED COMMERCIAL SPINOFF. AT THE JCM WE SHOULD TELL THE SOVIETS THAT IF WE DO NOT NOTICE SIGNIFICANT IMPROVEMENT IN THE PERFORMANCE OF THE AGREEMENT OVER THE NEXT 14 MONTHS, WE MAY BE INCLINED TO EXERCISE OUR OPTION NOT TO RENEW THE AGREEMENT AT THE END OF ITS FIVE YEAR PERIOD OF VALIDITY. END SUMMARY.

4. FOLLOWING ARE BRIEF ASSESSMENTS OF THE ACTIVITIES AND PROSPECTS OF THE SIX HOUSING AGREEMENT WG'S.

(A) WG 10.01 "BUILDING DESIGN AND CONSTRUCTION MANAGEMENT". US ACHIEVEMENTS IN DESIGN AND MANAGEMENT ARE GENERALLY ACKNOWLEDGED TO BE FAR HIGHER THAN THE SOVIET'S. US INITIALLY BELIEVED THAT OLYMPIC CONSTRUCTION WOULD LEAD TO HIGH SOVIET INTEREST IN THIS WG, WHICH SO FAR HAS NOT BEEN THE CASE. IN ADDITION TO THE EXCHANGE OF TECHNICAL DOCUMENTS, THE WG'S MAIN ACTIVITY HAS BEEN THE PREPARATION OF A GLOSSARY OF DESIGN AND CONSTRUCTION TERMINOLOGY WHICH, WHEN COMPLETED

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IN LATE 1977, MAY PERMIT WG COOPERATION TO BECOME MORE SUBSTANTIVE. THE MOSCOW WG MEETING CALLED FOR THE EXPANSION OF ITS ACTIVITIES INTO ENERGY CONSERVATION AND USE OF SOLAR ENERGY IN BUILDING DESIGN, AS WELL AS THE RESTORATION OF HISTORIC STRUCTURES. ACCESS TO SOVIET ENERGY CONSERVATION AND SOLAR ENERGY PROGRAMS COULD BE OF INTEREST TO THE US, IN VIEW OF THE IMPORTANCE WHICH THE PRESIDENT'S ENERGY PLAN ATTACHES TO THESE AREAS. SOVIET EXPERIENCE IN RESTORING HISTORICAL STRUCTURES, ESPECIALLY IN LENINGRAD, COULD ALSO BE OF INTEREST TO THE US. IT REMAINS TO BE SEEN HOW MUCH SUBSTANTIVE COOPERATION IN THESE AREAS THE SOVIETS WILL PERMIT.

(B) WG 10.02 "INDUSTRIALIZED BUILDING SYSTEMS AND UTILITIES". COOPERATIVE ACTIVITY IN THIS WG REQUIRED AN INORDINATE AMOUNT OF TIME TO ORGANIZE. NOT UNTIL MARCH, 1977, DID THE FIRST EXCHANGE OF DELEGATIONS OCCUR UNDER THIS WG. FOR MANY US WG MEMBERS THE PRIMARY BENEFIT OF THE COOPERATIVE ACTIVITY APPEARS TO HAVE BEEN THE OPPORTUNITY TO MEET THEIR SOVIET COLLEAGUES AND TO FAMILIARIZE THEMSELVES WITH THE "STATE OF THE ART" IN THE SOVIET UNION. IN SOME AREAS, SUCH AS LIQUID WASTE DISPOSAL, THE SOVIETS APPEAR TO BE FAR BEHIND US, IN OTHERS, SUCH AS COGENERATION OF MUNICIPAL HEATING AND UNDERGROUND, PNEUMATIC SOLID WASTE DISPOSAL SYSTEMS, THE US MAY HAVE

SOMETHING TO LEARN FROM THE SOVIETS. IT WOULD BE USEFUL TO INCLUDE REPRESENTATIVES FROM THE MINISTRY OF POWER IN THE WG ACTIVITIES, BUT WATER-TIGHT COMPARTMENTALIZATION BETWEEN SOVIET MINISTRIES WILL MAKE THIS DIFFICULT TO ACHIEVE (C) WG 10.03 "BUILDING MATERIALS".

THE PARTICIPANTS HAVE AGREED TO FOCUS ON TWO AREAS: "CEMENTS FOR CONSTRUCTION," AND "FIRE RESISTANT CONSTRUCTION MATERIALS." THE SOVIETS HAVE TOLD US THAT THEY REGARD THIS AS THE LEAST SATISFACTORY WG. THE SOVIET EXECUTIVE SECRETARIAT HAS FREQUENTLY COMPLAINED TO EMBASSY OFFICERS ABOUT U.S. DELAY IN SENDING DELEGATIONS TO THE USSR. SOVIET PERSISTENCE IN ATTEMPTING TO ARRANGE ADDITIONAL EXCHANGES, ALONG WITH THEIR ORIGINAL PROPOSAL OF 27 EXCHANGE VISITS DURING THE WG'S FIRST YEAR OF ACTIVITY, MAY INDICATE THAT THIS IS AN AREA  
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WHERE THE SOVIETS BELIEVE THAT THEY HAVE MOST TO GAIN FROM COOPERATION WITH THE U.S. THE U.S., HOWEVER, PROBABLY HAS LITTLE TO GAIN FROM SOVIET EXPERIENCE IN BUILDING MATERIALS, ALTHOUGH THERE MAY BE VALID GROUNDS FOR COOPERATION IN SOME AREAS SUCH AS POLYMER CONCRETE. IN ADDITION, THIS WG MAY OFFER THE U.S. SIGNIFICANT COMMERCIAL OPPORTUNITIES. (D) WG 10.04 "CONSTRUCTION IN SEISMIC AREAS".

FROM THE US POINT OF VIEW THIS HAS BEEN THE MOST UNSATISFACTORY OF ALL THE HOUSING AGREEMENT WG'S. NO EXCHANGES OF DELEGATIONS HAVE YET OCCURRED UNDER THE WG. AITIVITY HAS BEEN LIMITED TO A ONE-SIDED EXCHANGE OF INFORMATION. US HAS SENT THE SOVIETS 170 DOCUMENTS, WHILE RECEIVING ONLY NINE IN RETURN.

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DEPT PASS HUD-HANCOCK

AS A RESULT, THE US HAS POSTPONED FOR ONE YEAR ALL DELEGATION EXCHANGES SCHEDULED UNDER THE ORIGINAL WG PROTOCOL. IN THE INTERIM, WE HAVE SUGGESTED THAT THE WG TAKE THE LEAD IN SETTING UP AN INTERNATIONAL "DENSE, 3-D STRONG MOTION NETWORK," IN ACCORDANCE WITH PROPOSALS MADE AT THE VI WORLD CONFERENCE ON EARTHQUAKE ENGINEERING AT NEW DELHI IN 1976.

SOVIET RESPONSE TO US REMARKS ABOUT THE IMBALANCE IN INFORMATION EXCHANGE HAS RANGED FROM UNSATISFACTORY TO TRIVIAL. THE SOVIET ASSERTION THAT MUCH OF THE US INFORMATION IS BEYOND THE SCOPE OF THE WG'S MANDATE IS NOT BORNE OUT BY LISTS OF US SUPPLIED DOCUMENTS. THE SOVIET WG COCHAIRMAN CLAIMS RECENTLY TO HAVE SENT 30 DOCUMENTS TO HIS US COUNTERPART. HOWEVER, NO LIST WAS SUPPLIED TO THE EMBASSY AND SINCE THE DOCUMENTS WERE SENT VIA INTERNATIONAL MAIL THEY WILL PROBABLY NOT ARRIVE IN WASHINGTON IN TIME FOR ANALYSIS BEFORE THE JCM. SOVIETS HAVE ALSO MADE THE RIDICULOUS POINT THAT SOVIET SUPPLIED DOCUMENTS HAVE SMALLER PRINT THAN THE US.

THE SOVIET DRAFT JCM REPORT FOR WG 10.04 PROPOSES A LONG LIST OF SPECIFIC PROJECTS, WHICH IN VIEW OF PAST SOVIET NON-PERFORMANCE, CONFIDENTIAL

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ARE OVERLY AMBITIOUS. AT THE JCM THE US SHOULD REITERATE TO THE SOVIETS THAT FUTURE PROGRESS IN THIS WG DEPENDS ON THEIR WILLINGNESS TO SUPPLY THE US WITH INFORMATION THAT IS EQUIVALENT IN QUALITY AND QUANTITY TO THAT WHICH THEY RECEIVE FROM US. SOVIET PERFORMANCE IN THIS RESPECT AND IN EFFORTS TO ESTABLISH INTERNATIONAL STRONG MOTION NETWORK SHOULD BE THE TOUCHSTONE FOR THE DEVELOPMENT OF FUTURE COOPERATIVE EFFORTS IN WG 10.04.

(E) WG 10.05 "BUILDING FOR EXTREME CLIMATES".

IN VIEW OF SOVIET EXPERIENCE IN CONSTRUCTION UNDER SEVERE CONDITIONS, COOPERATION UNDER THIS WG HAS BEEN A PRIORITY US GOAL WITHIN THE HOUSING AGREEMENT. ACTIVITY IN THIS WG BEGAN EARLIER AND HAS PROCEEDED SOMEWHAT MORE SMOOTHLY THAN IN MOST OTHER WG'S. THE TWO GENERAL AREAS OF COOPERATION ARE "CONSTRUCTION IN SEVERE CLIMATOLOGICAL CONDITIONS," AND "CONSTRUCTION IN SEVERE GEOLOGICAL CONDITIONS," (UNDER THIS SUB-PROJECT SOME EXCHANGES IN SEISMICALLY RELATED TOPICS HAVE OCCURRED OUTSIDE THE FRAMEWORK OF THE SNARLED 10.04 2&.)

(E) WG 10.05 "BUILDING FOR EXTREME CLIMATES".

IN VIEW OF SOVIET EXPERIENCE IN CONSTRUCTION UNDER SEVERE CONDITIONS, COOPERATION UNDER THIS WG HAS BEEN A PRIORITY US GOAL WITHIN THE HOUSING AGREEMENT. ACTIVITY IN THIS WG BEGAN EARLIER AND HAS PROCEEDED SOMEWHAT MORE SMOOTHLY THAN IN MOST OTHER WG'S. THE TWO GENERAL AREAS OF COOPERATION ARE "CONSTRUCTION IN SEVERE CLIMATOLOGICAL CONDITIONS," AND "CONSTRUCTION IN SEVERE GEOLOGICAL CONDITIONS," (UNDER THIS SUB-PROJECT SOME EXCHANGES IN SEISMICALLY RELATED TOPICS HAVE OCCURRED OUTSIDE THE FRAMEWORK OF THE SNARLED 10.04 WGL ONE POSSIBLE AREA OF FURTHER COOPERATION IN THIS WG IS USE OF LARGE CENTRIFUGES AND SHAKING TABLES TO TEST SEISMIC

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EFFECTS ON LARGE SCALE MODELS OF BUILDINGS, DAMS AND OTHER LARGE STRUCTURES; AN AREA WHERE SOVIETS HAVE MORE EXPERIENCE THAN US. SCIENTISTS IN THE US GENERALLY USE COMPUTER BASED MATHEMATICAL MODELS TO PREDICT THE EFFECTS OF EARTHQUAKES ON LARGE STRUCTURES. THE US COULD REFINE AND EXPAND ITS MODELLING TECHNIQUES ON THE BASIS OF DATA FROM SOVIET TESTS, WHILE THE SOVIETS COULD USE US MATHEMATICAL MODELS TO ANALYZE THE DATA THEY OBTAIN FROM THEIR OWN TESTS.

(F) WG 10.06 "NEW TOWNS".

THE TWO MAJOR AREAS OF COOPERATION WITHIN THE NEW TOWNS WG ARE PLANNING NEW TOWNS, INCLUDING ECONOMIC, ENVIRONMENTAL, SOCIAL AND OTHER FACTORS INVOLVED IN LOCATING AND PLANNING NEW TOWNS; AND MANAGEMENT OF NEW TOWNS. THE CHIEF FORM OF COOPERATION HAS BEEN THE EXCHANGE OF A LARGE NUMBER OF TECHNICAL DOCUMENTS AND DELEGATIONS, AIMED AT PRODUCING A JOINT PUBLICATION ON STANDARDS FOR SITE SELECTION AND DEVELOPMENT OF NEW TOWNS. WORK IS NOW UNDERWAY TO DRAFT A JOINT TEXT FOR THE REPORT; WITH PUBLICATION INTENDED FO THIRD QUARTER OF 1978. PROGRESS ON THE TOPIC "NEW TOWN MANAGEMENT" HAS BEEN SLOWER BECAUSE THE SOVIETS LACK A CONCEPT OF MANAGEMENT EQUIVALENT TO OURS. THE US HAS ALSO PROPOSED COOPERATION ON "FINANCE AND ECONOMICS OF NEW TOWNS", BUT THE SOVIETS HAVE NOT RESPONDED.

THE "NEW TOWNS" WG HAS MADE MORE PROGRESS THAN MOST OTHER HOUSING AGREEMENT WG'S; HOWEVER, THERE APPEARS TO BE SOME QUESTION ABOUT THE DIRECTION ITS ACTIVITIES WILL TAKE AFTER COMPLETION OF THE JOINT PUBLICATIONS CURRENTLY UNDERWAY. ALTHOUGH SOVIET UNION HAS MORE EXPERIENCE IN CONSTRUCTING LARGE, FREE-STANDING NEW TOWNS THAN ANY OTHER COUNTRY IN THE WORLD, US PARTICIPANTS HAVE NOTED THAT THE CHIEF VALUE OF SOVIET EXPERIENCE FOR US IS IN PROVIDING AN EXAMPLE OF MISTAKES WHICH SHOULD BE AVOIDED.

5. MAJOR PROBLEM AREAS WITHIN THE HOUSING AGREEMENT

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(A) ADMINISTRATIVE - ADMINISTRATIVE DIFFICULTIES, HAVE BEEN A RECURRENT PROBLEM IN THE US-USSR HOUSING AGREEMENT. THE SOVIET EXECUTIVE SECRETARIAT HAS OFTEN DELAYED OR EVEN MISPLACED IMPORTANT COMMUNICATIONS. SOVIETS HAVE SOMETIMES SUPPLIED CONTRADICTORY INFORMATION ABOUT DELEGATION VISITS. WE HAVE FREQUENTLY CALLED THESE PROBLEMS TO THE ATTENTION OF THE SOVIET EXECUTIVE SECRETARIAT, WHICH HAS ADMITTED TO DIFFICULTIES IN COORDINATING WITH THE SOVIET WG COCHAIRMAN. EMBASSY FINDS IT NECESSARY TO MONITOR SOVIET PERFORMANCE CLOSELY AND TO REMIND SOVIETS WHEN REPLIES ARE OUTSTANDING. SOVIETS HAVE ALSO COMPLAINED THAT US IS SLOW IN RESPONDING TO ITS CORRESPONDENCE. WE BELIEVE THAT US SHOULD CONTINUE TO INSIST ON PROMPT AND MEANINGFUL SOVIET REPLIES TO OUR QUERIES; HOWEVER, US SHOULD ALSO RESPOND PROMPTLY TO SOVIET MESSAGES.

(B) SCHEDULING - SCHEDULING DELEGATION VISITS, BOTH TO THE US AND TO THE USSR, HAS OFTEN BEEN A PROBLEM UNDER THE HOUSING AGREEMENT. THE US GENERALLY PROVIDES COMPLETE ITINERARY INFORMATION TO SOVIETS, INCLUDING THE NAMES OF INSTITUTES AND COMPANIES WHICH THE SOVIETS WILL BE VISITING, WELL IN ADVANCE OF THE DEPARTURE OF THE SOVIET DELEGATION. (THE SOVIETS HAVE TOLD US THAT MFA REQUIRES 21 DAYS ADVANCE NOTICE OF THE ITINERARY OF SOVIET DELEGATIONS TRAVELING TO US.) ARTICLE XVIII OF THE CULTURAL RELATIONS AND SCIENTIFIC CONTACTS AGREEMENT, SIGNED IN WASHINGTON JUNE 19, 1973, WHICH IS NOTED IN THE PREAMBLE OF THE HOUSING AGREEMENT, STATES THAT ITINERARIES AND OTHER TRAVEL INFORMATION SHALL BE AGREED ON "AS A RULE" NOT LESS THAN 30 DAYS IN ADVANCE THROUGH DIPLOMATIC CHANNELS". FINALLY, THE REQUIREMENT THAT SOVIETS FLY ONLY ON AEROFLOT OFTEN REQUIRES LAST MINUTE CHANGES IN THE PLANS OF SOVIET DELEGATIONS WHICH ARE INCONVENIENT TO THEIR US HOSTS. IN SHARP CONTRAST TO US PRACTICE, SOVIETS GENERALLY PROVIDE

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ITINERARY INFORMATION TO US DELEGATIONS ONLY UPON THEIR ARRIVAL IN THE USSR. THE US DELEGATIONS HAVE NO WAY OF EVALUATING IN ADVANCE THE POSSIBLE VALUE OF THEIR TRIP; NOR IS THERE MUCH OPPORTUNITY FOR THEM TO PROVIDE AN INPUT INTO THE ITINERARY. EMBASSY INTERVENTION IS OFTEN UNSUCCESSFUL IN OBTAINING GREATER INFORMATION. THE SOVIETS ALSO HAVE A TENDENCY TO SCHEDULE REPEATED DELEGATION VISITS TO A FEW CITIES, ESPECIALLY TO MOSCOW, LENINGRAD, MINSK AND TASHKENT. ATTEMPTS TO MOVE BEYOND THIS CIRCUIT RE SOMETIMES REBUFFED.

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DEPT PASS HUD-HANCOCK

(C) EXCHANGE OF INFORMATION- ONE OF THE MAJOR PROBLEMS IN THE AGREEMENT HAS BEEN AN IMBALANCE BETWEEN THE QUANTITY AND THE QUALITY OF INFORMATION WHICH THE US SUPPLIES AND THAT WHICH WE RECEIVE FROM THE SOVIETS IN RETURN. IN SOME WORKING GROUPS THE EXCHANGE OF INFORMATION APPEARS TO PROCEED APPROXIMATELY EVENLY, IN OTHERS THE SOVIETS HAVE PROVIDED ALMOST NOTHING OF VALUE. INFORMATION FLOW PROBLEMS ALSO ARISE IN OTHER FORMS. THE US "NEW TOWNS" DELEGATION WHICH VISITED THE USSR IN JUNE 1977, SUBMITTED A LIST OF QUESTIONS FOR DISCUSSION A MONTH IN ADVANCE, BUT UPON ARRIVAL FOUND THAT THE SOVIETS WERE UNPREPARED TO DISCUSS THEM. DIFFICULTIES IN OBTAINING INFORMATION FROM THE SOVIETS HAVE OFTEN ARISEN IN OTHER US-USSR COOPERATIVE AGREEMENTS. DURING THE S&T AGREEMENT JCM IN WASHINGTON, JULY 6-8, 1977 WE RAISED THIS PROBLEM WITH DEPUTY PRIMER KIRILLIN. IT IS STILL TOO EARLY TO TELL WHETHER THIS INTERVENTION WILL LEAD TO ANY IMPROVEMENT IN SOVIET PERFORMANCE.

WE UNDERSTAND THAT BECAUSE OF LIMITED FUNDS HUD CAN ROUTINELY TRANSLATE ONLY CORRESPONDENCE, WORK PROGRAMS, AND TABLES OF CONTENTS AND ABSTRACTS OF SOVIET-PROVIDED PUBLICATIONS. ONLY AN OCCASIONAL BOOK OR DOCUMENT IS TRANSLATED AND EVALUATED BY

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US EXPERTS. THIS PROBLEM CALLS INTO QUESTION THE WHOLE VALUE OF THE EXCHANGE OF DOCUMENTS. EITHER THE SOVIETS ARE PROVIDING LITTLE OF REAL VALUE OR THE US IS NOT TAKING FULL ADVANTAGE OF EVEN THE LIMITE AMOUNTS OF SOVIET MATERIAL IT RECEIVES. UNFORTUNATELY, THE EMBASSY IS NOT IN A POSITION TO PROVIDE A SOLUTION TO THIS PROBLEM; HOWEVER, IT IS ONE THAT THE US SHOULD FACE UP TO IN DEFINING ITS GOALS IN THE HOUSING AGREEMENT.

6. RECOMMENDATIONS- THE US SHOULD DO ITS UTMOST TO UPHOLD THE OBLIGATIONS UNDERTAKEN IN THE US-USSR HOUSING AGREEMENT. EXPERIENCE OVER THE PAST THREE YEARS, HOWEVER, HAS LED TO CONSIDERABLE QUESTIONS ABOUT THE VALUE OF CONTINUED COOPERATIVE ACTIVITY IN THIS FIELD. DURING THE JCM WE BELIEVE THAT THE US SIDE SHOULD INFORM THE SOVIETS THAT WE HAVE DOUBTS ABOUT THE MUTUAL BENEFIT OF COOPERATIVE ACTIVITY IN THIS FIELD. THE SOVIETS SHOULD BE TOLD THAT IF SERIOUS DIFFICULTIES CONTINUE, THE US MAY BE INCLINED EXERCISE ITS OPTION TO TERMINATE THE AGREEMENT. (THE HOUSING AGREEMENT HAS AUTOMATIC RENEWAL CLAUSE, WHICH OBLIGES THE US TO NOTIFY THE USSR BEFORE DECEMBER 28, 1978, IF IT WISHES TO TERMINATE THE AGREEMENT). WE BELIEVE THAT THE US SHOULD EXPLAIN TO THE SOVIETS -FRANKLY, BUT IN A NON-POLEMICAL FASHION- THE IMPROVEMENTS WE EXPECT OVER THE NEXT 14 MONTHS. IN RETURN, WE SHOULD INVITE SOVIET SUGGESTIONS FOR IMPROVEMENTS IN THE PERFORMANCE OF COOPERATIVE ACTIVITY. WE BELIEVE THAT THE FOLLOWING POINTS SHOULD BE MADE TO THE SOVIETS.

(A) ADMINISTRATIVE- BOTH SIDES SHOULD MAKE A BETTER EFFORT TO REPLY PROMPTLY AND FULLY TO THE OTHER'S COMMUNICATIONS. IN THE EVENT THAT THE US CANNOT REPLY PROMPTLY TO SOVIET COMMUNICATION, WE WILL MAKE EVERY EFFORT TO SEND AN INTERIM REPLY, WE EXPECT THE SOVIETS TO DO LIKEWISE.

(B) ITINERARIES- THE US HAS GENERALLY COMPLIED WITH THE SOVIET REQUEST TO FURNISH DELEGATION ITINERARIES AT LEAST  
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21 DAYS BEFORE DEPARTURE. WE EXPECT THE SOVIETS TO RECIPROCATE BY PROVIDING DETAILED ITINERARIES FOR US DELEGATIONS TO THE USSR, INCLUDING NAMES AND LOCATIONS OF INSTITUTES, FIRMS, AND CONSTRUCTION SITES TO BE VISITED. WE SHOULD INFORM THE SOVIETS THAT US DELEGATIONS WILL NOT TRAVEL TO THE USSR WITHOUT HAVING THIS INFORMATION IN HAND PRIOR TO THEIR DEPARTURE.

(C) EXCHANGE OF INFORMATION- WE SHOULD CALL THE SOVIETS' ATTENTION TO EXISTING IMBALANCE IN THE EXCHANGE OF INFORMATION, ESPECIALLY IN WG10.04 AND WE SHOULD INFORM THE SOVIETS THAT WE REGARD THIS IMBALANCE AS A SERIOUS MATTER. IN THE FUTURE WE SHOULD INSIST ON A ROUGH EQUALITY IN THE EXCHANGE OF IMPORTANT INFORMATION (NOTE: IF POSSIBLE, THE US EXECUTIVE SECRETARIAT SHOULD DRAW UP BEFORE THE JCM AND ACCOUNTING OF THE DOCUMENT EXCHANGE WHICH HAS OCCURED IN OTHER



WG'S AS WAS DONE IN THE DRAFT US REPORT ON THE 10.04 WG).

(D) FUTURE COOPERATIVE ACTIVITY- THE MAJOR PROBLEM WHICH THE HOUSING AGREEMENT APPEARS TO FACE IS IN DEFINING THE FUTURE SHAPE OF JOINT COOPERATIVE AREAS. TO DATE THE CHIEF FORM OF COOPERATIVE ACTIVITY HAS BEEN THE STUDY OF EACH COUNTRY'S EXPERIENCE IN VARIOUS AREAS OF CONSTRUCTION. THIS CAN BE USEFUL, EVEN WHEN ITS CHIEF VALUE TO THE US IS TO PROVIDE A NEGATIVE EXAMPLE. HOWEVER, TO PROVIDE A FIRM BASIS FOR ON-GOING ACTIVITY WE BELIEVE EACH WG SHOULD ATTEMPT TO DEFINE A SMALL NUMBER OF SPECIFIC, MUTUALLY BENEFICIAL TOPICS SUITABLE FOR JOINT RESEARCH WORK AIMED AT SOLVING PROBLEMS OF INTEREST TO BOTH COUNTRIES. IN THIS CONNECTION, US AND SOVIET PARTICIPANTS IN THE HOUSING AGREEMENT COULD TAKE AS A MODEL THE LARGE NUMBER OF CONTINUING JOINT RESEARCH PROGRAMS CARRIED OUT UNDER OTHER COOPERATIVE AGREEMENTS, SUCH AS THE ENVIRONMENTAL OR THE MEDICAL AGREEMENT.

(E) LONG TERM EXCHANGEES - WE SHOULD PROPOSE TO THE SOVIETS THE ESTABLISHMENT OF A PROGRAM OF LONG-TERM EXCHANGEES (OVER THREE MONTHS) TO SOVIET AND AMERICAN RESEARCH INSTITUTES.

(F) COMMERCIAL SPIN-OFF - US SHOULD MAKE AN INCREASED EFFORT TO OBTAIN COMMERCIAL SPIN-OFF FROM THE HOUSING AGREEMENT. US BUSINESSMEN SHOULD CONTINUE TO BE RECRUITED FOR  
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MEMBERSHIP IN APPROPRIATE DELEGATIONS, AND WE SHOULD ENDEAVOR TO DIRECT COOPERATION INTO AREAS OF POSSIBLE US COMMERCIAL INTEREST. IN THIS CONNECTION, WE NOTE THAT HUD ASSISTANT SECRETARY LAWRENCE SIMONS, ACCOMPANYING SECRETARY HARRIS

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DEPT PASS HUD-HANCOCK

TO JCM, HAS BEEN INVITED TO OPEN A COMMERCIAL SEMINAR "CONCRETE 77" AT THE US COMMERCIAL OFFICE (USCO) IN MOSCOW. USCO IS HOLDING SIMILAR SEMINARS ON "FIRE SAFETY 77" IN MID NOVEMBER, AND IT WOULD BE VALUABLE FOR US MEMBERS OF "FIRE RESISTANT MATERIALS" DELEGATION, SCHEDULED TO TRAVEL TO USSR IN OCTOBER, TO BRIEF USCO ON RESULTS OF THEIR TRIP.

7. WE EXPECT THAT THE SOVIETS WILL REACT VERY NEGATIVELY TOWARD US SUGGESTION THAT WE MAY CONSIDER TERMINATING THE HOUSING AGREEMENT. HOWEVER, WE THINK IT IS IMPORTANT TO INFORM THE SOVIETS AT A HIGH LEVEL ABOUT THE PROBLEMS WHICH WE SEE IN THE AGREEMENT. THIS WILL PROVIDE A REFERENCE POINT FROM WHICH TO MEASURE SUBSEQUENT SOVIET PERFORMANCE. IN THE EVENT THE US DOES DECIDE TO TERMINATE THE AGREEMENT, IT WILL BE IMPOSSIBLE FOR THE SOVIETS TO CLAIM THEY WERE NOT WARNED. WE MIGHT ALSO POINT OUT THAT IF THE AGREEMENT IS TERMINATED, COOPERATION IN AN AREA OF INTEREST TO THE US, SUCH AS CONSTRUCTION IN SEISMIC REGIONS, COULD BE TRANSFERED TO THE ENVIRONMENT OR ENERGY AGREEMENTS, WHICH HAVE AN ON-GOING PROGRAMS IN THIS FIELD.

8. RECOMMENDING POSSIBLE TERMINATION OF THE HOUSING AGREEMENT IS NOT A STEP WE TAKE LIGHTLY. WE ATTACH CONSIDERABLE CONFIDENTIAL

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IMPORTANCE TO US-USSR COOPERATIVE ACTIVITIES; HOWEVER, WE BELIEVE THAT OUR COOPERATIVE AGREEMENTS SHOULD BE VALID IN THEIR OWN TERMS. WE SEE LITTLE BENEFIT IN CONTINUING COOPERATION FOR FORM'S SAKE. FINALLY, EVEN THE HINT THAT WE ARE PEREPARED TO CONSIDER TERMINATION OF THE HOUSING AGREEMENT MAY HAVE AN POSITIVE EFFECT ON SOVIET PERFORMANCE IN OTHER COOPERATIVE AGREEMENTS OF GREATER INTEREST TO THE US. TOON

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## Message Attributes

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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**To:** STATE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009